



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0484	Title:	Fund MSU-Billings regional workforce training facility
Primary Sponsor:	Essmann, Jeff	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 5 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$3,600,000	\$0	\$210,000	\$210,000
Long Range Building	\$3,600,000	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Long Range Building	\$3,600,000	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$3,600,000)</u>	<u>\$0</u>	<u>(\$210,000)</u>	<u>(\$210,000)</u>

Description of fiscal impact: Legislature authorizes the College of Technology of MSU Billings to construct a 30,000 square foot regional workforce training facility.

FISCAL ANALYSIS

Assumptions:

- House Bill 5 (Long Range Building Appropriation) currently contains no appropriation for a Workforce Training Facility. Recommendations have been made by the Long Range Planning Appropriations Subcommittee to the full Appropriations Committee.
- The bill would require a General Fund transfer to the Long Range Building Program to fund this project.
- An appropriation needs to be added to HB 5.

4. Architecture and Engineering estimates that the Operation and Maintenance (O and M) on a building this size would be approximately \$7.00 a square foot or \$210,000 per year.
5. It is assumed that O and M would start in FY 2010 when the building is assumed to be completed.
6. This type of facility is a “negotiated item” between the Executive, Legislature and the Montana University System on how the O and M costs would be funded. Given that no discussion has occurred between the Montana University System and the state on this facility, the general fund is shown as funding 100% of these costs.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Capital Construction	\$3,600,000	\$0	\$0	\$0
Operation and Maintenance	\$0	\$0	\$210,000	\$210,000
Transfers	\$3,600,000	\$0	\$0	\$0
TOTAL Expenditures	<u><u>\$7,200,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$3,600,000	\$0	\$210,000	\$210,000
Long Range Building (05)	\$3,600,000	\$0	\$0	\$0
TOTAL Funding of Exp.	<u><u>\$7,200,000</u></u>	<u><u>\$0</u></u>	<u><u>\$210,000</u></u>	<u><u>\$210,000</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Long Range Building (05)	\$3,600,000	\$0	\$0	\$0
TOTAL Revenues	<u><u>\$3,600,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$3,600,000)	\$0	(\$210,000)	(\$210,000)
Long Range Building (05)	\$0	\$0	\$0	\$0

Technical Note:

Current construction costs for this type of facility is approximately \$175 to \$200 per square foot. SB 484 contains enough funding for \$120 per square foot for this 30,000 square foot facility.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date